

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>BUCHANAN TOWNSHIP</b>	County <b>BERRIEN</b>
Audit Date <b>3/31/04</b>	Opinion Date <b>6/3/04</b>	Date Accountant Report Submitted to State: <b>9/7/04</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:


1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>Siegfried Crandall PC</b>			
Street Address <b>246 East Kilgore Road</b>		City <b>Kalamazoo</b>	State <b>MI</b>
		ZIP <b>49002-5599</b>	
Accountant Signature 		Date <b>9/7/04</b>	

*Township of Buchanan*  
*Berrien County, Michigan*  
**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**  
*Year ended March 31, 2004*

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## INDEPENDENT AUDITORS' REPORT

**Township Board  
Township of Buchanan, Michigan**

We have audited the accompanying general purpose financial statements of the Township of Buchanan, Michigan, as of March 31, 2004, and for the year then ended, as listed in the contents. These general purpose financial statements are the responsibility of the Township of Buchanan's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Buchanan, Michigan, as of March 31, 2004, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules, as listed in the contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Township of Buchanan, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Siegfried Crandall P.C.*

June 3, 2004

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

**Township of Buchanan****COMBINED BALANCE SHEET - all fund types and account groups**

March 31, 2004

	<i>Governmental fund types</i>			
	<i>General</i>	<i>Special revenue</i>	<i>Capital projects</i>	<i>Debt service</i>
<b>ASSETS</b>				
Cash	\$ 326,271	\$ 81,314	\$ 7,493	\$ 181,758
Receivables:				
Taxes	6,161	6,570	-	-
Special assessments	-	-	-	288,322
Interest	51	21	-	-
Other	2,441	-	-	-
Due from other funds	91,775	88,640	-	36,239
Due from other governmental units	45,635	-	-	-
Fixed assets	-	-	-	-
Amounts available in debt service fund	-	-	-	-
Amounts to be provided for retirement of general long-term debt	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 472,334</b>	<b>\$ 176,545</b>	<b>\$ 7,493</b>	<b>\$ 506,319</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 18,665	\$ 16,896	\$ -	\$ 33,212
Due to other funds	-	-	-	3,934
Due to other governmental units	-	-	-	-
Due to others	-	-	-	-
Deferred revenue	-	-	-	280,512
Note payable	-	-	-	-
Bonds payable	-	-	-	-
<b>Total liabilities</b>	<b>18,665</b>	<b>16,896</b>	<b>-</b>	<b>317,658</b>
<b>FUND EQUITY:</b>				
Investment in general fixed assets	-	-	-	-
Fund balance:				
Reserved for debt service	-	-	-	188,661
Unreserved - undesignated	453,669	159,649	7,493	-
<b>Total fund equity</b>	<b>453,669</b>	<b>159,649</b>	<b>7,493</b>	<b>188,661</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 472,334</b>	<b>\$ 176,545</b>	<b>\$ 7,493</b>	<b>\$ 506,319</b>

<i>Fiduciary fund types</i>	<i>Account groups</i>		<i>Totals</i>
<i>Trust and agency</i>	<i>General fixed assets</i>	<i>General long- term debt</i>	<i>(memorandum only)</i>
\$ 261,769	\$ -	\$ -	\$ 858,605
-	-	-	12,731
-	-	-	288,322
-	-	-	72
-	-	-	2,441
-	-	-	216,654
-	-	-	45,635
-	1,856,989	-	1,856,989
-	-	188,661	188,661
-	-	495,339	495,339
<u>\$ 261,769</u>	<u>\$ 1,856,989</u>	<u>\$ 684,000</u>	<u>\$ 3,965,449</u>
\$ -	\$ -	\$ -	\$ 68,773
212,720	-	-	216,654
48,533	-	-	48,533
516	-	-	516
-	-	-	280,512
-	-	249,000	249,000
-	-	435,000	435,000
<u>261,769</u>	<u>-</u>	<u>684,000</u>	<u>1,298,988</u>
-	1,856,989	-	1,856,989
-	-	-	188,661
-	-	-	620,811
-	1,856,989	-	2,666,461
<u>\$ 261,769</u>	<u>\$ 1,856,989</u>	<u>\$ 684,000</u>	<u>\$ 3,965,449</u>

See notes to financial statements

**Township of Buchanan****COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - all governmental fund types**

Year ended March 31, 2004

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	<i>General</i>	<i>Special revenue</i>	<i>Capital projects</i>
REVENUES:			
Taxes and penalties	\$ 98,832	\$ 95,210	\$ -
Licenses and permits	50,962	-	-
Federal grants	-	27,245	-
State grants	253,907	-	-
Contributions from local units	-	-	27
Charges for services	12,151	-	-
Interest and rentals	4,843	539	23
Other	9,192	3,007	-
	<u>429,887</u>	<u>126,001</u>	<u>50</u>
Total revenues			
EXPENDITURES:			
Legislative	5,296	-	-
General government	223,574	-	-
Public safety	37,759	72,785	-
Public works	31,771	-	-
Community and economic development	7,471	-	-
Capital outlay	141,117	39,461	-
Debt service:			
Principal	35,000	-	-
Interest and fees	15,449	-	-
	<u>497,437</u>	<u>112,246</u>	<u>-</u>
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(67,550)</u>	<u>13,755</u>	<u>50</u>
FUND BALANCE - BEGINNING OF YEAR	<u>521,219</u>	<u>145,894</u>	<u>7,443</u>
FUND BALANCE - END OF YEAR	<u>\$ 453,669</u>	<u>\$ 159,649</u>	<u>\$ 7,493</u>

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<i>Debt Service</i>	<i>Totals (memorandum only)</i>
\$ -	\$ 194,042
-	50,962
-	27,245
-	253,907
-	27
-	12,151
21,171	26,576
<u>37,103</u>	<u>49,302</u>
 <u>58,274</u>	 <u>614,212</u>
 -	5,296
-	223,574
-	110,544
-	31,771
-	7,471
-	180,578
35,000	70,000
<u>26,214</u>	<u>41,663</u>
 <u>61,214</u>	 <u>670,897</u>
 <u>(2,940)</u>	 <u>(56,685)</u>
 <u>191,601</u>	 <u>866,157</u>
 <u>\$ 188,661</u>	 <u>\$ 809,472</u>

See notes to financial statements

**Township of Buchanan****COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL - *general and special revenue funds****Year ended March 31, 2004*

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	<i>General</i>		
	<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>
REVENUES:			
Taxes and penalties	\$ 97,987	\$ 98,832	\$ 845
Licenses and permits	38,080	50,962	12,882
Federal grants	-	-	-
State grants	228,300	253,907	25,607
Charges for services	11,202	12,151	949
Interest and rentals	12,775	4,843	(7,932)
Other	2,583	9,192	6,609
Total revenues	<u>390,927</u>	<u>429,887</u>	<u>38,960</u>
EXPENDITURES:			
Legislative	5,360	5,296	64
General government	219,159	223,574	(4,415)
Public safety	40,641	37,759	2,882
Public works	150,988	31,771	119,217
Community and economic development	9,039	7,471	1,568
Capital outlay	200,436	141,117	59,319
Debt service:			
Principal	35,000	35,000	-
Interest	16,250	15,449	801
Total expenditures	<u>676,873</u>	<u>497,437</u>	<u>179,436</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(285,946)	(67,550)	218,396
FUND BALANCE - BEGINNING OF YEAR	<u>521,219</u>	<u>521,219</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 235,273</u>	<u>\$ 453,669</u>	<u>\$ 218,396</u>

<i>Special revenue</i>			<i>Totals (memorandum only)</i>		
<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>	<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>
\$ 96,000	\$ 95,210	\$ (790)	\$ 193,987	\$ 194,042	\$ 55
-	-	-	38,080	50,962	12,882
-	27,245	27,245	-	27,245	27,245
-	-	-	228,300	253,907	25,607
-	-	-	11,202	12,151	949
1,300	539	(761)	14,075	5,382	(8,693)
250	3,007	2,757	2,833	12,199	9,366
<u>97,550</u>	<u>126,001</u>	<u>28,451</u>	<u>488,477</u>	<u>555,888</u>	<u>67,411</u>
-	-	-	5,360	5,296	64
-	-	-	219,159	223,574	(4,415)
63,897	72,785	(8,888)	104,538	110,544	(6,006)
-	-	-	150,988	31,771	119,217
-	-	-	9,039	7,471	1,568
230,800	39,461	191,339	431,236	180,578	250,658
-	-	-	35,000	35,000	-
-	-	-	16,250	15,449	801
<u>294,697</u>	<u>112,246</u>	<u>182,451</u>	<u>971,570</u>	<u>609,683</u>	<u>361,887</u>
(197,147)	13,755	210,902	(483,093)	(53,795)	429,298
<u>145,894</u>	<u>145,894</u>	<u>-</u>	<u>562,957</u>	<u>562,957</u>	<u>-</u>
<u>\$ (51,253)</u>	<u>\$ 159,649</u>	<u>\$ 210,902</u>	<u>\$ 79,864</u>	<u>\$ 509,162</u>	<u>\$ 429,298</u>

See notes to financial statements

**Township of Buchanan**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of the Township of Buchanan, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies:

*a) Reporting entity:*

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, these financial statements represent the Township or primary government. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. The Township has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a blended or discretely-presented component unit in the Township's financial statements.

*b) Basis of presentation:*

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The financial activities of the Township are recorded in the separate funds and account groups, categorized, and described as follows:

*i) Governmental funds:*

General Fund - this fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the local unit. Revenues are derived primarily from property taxes and state and federal distributions, grants, and other intergovernmental revenue.

Special revenue funds - these funds are used to account for the proceeds of specific governmental revenue (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Capital Projects Fund - this fund is used to account for the acquisition or construction of major capital facilities.

Debt Service Fund - this fund is used to record the funding and payment of principal and interest on debt reported in the general long-term debt account group.

*ii) Fiduciary funds:*

Trust and agency funds - these funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Township of Buchanan**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*b) Basis of presentation (continued):*

*iii) Account groups:*

General fixed assets account group - this account group presents the fixed assets of the Township utilized in its general operations (nonproprietary fixed assets).

General long-term debt account group - this account group presents the balance of general obligation long-term debt, which is not recorded in proprietary funds.

*c) Basis of accounting:*

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

*d) Budgets and budgetary accounting:*

The Township follows the procedures in establishing the budgetary data reflected in the financial statements in accordance with the Uniform Budgeting and Accounting Act (Act No. 621, Public Acts of 1978), as prescribed by the State of Michigan.

Budgets for the general and special revenue funds are adopted at the activity level and are consistent with generally accepted accounting principles.

*e) Fixed assets:*

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

This account group is not a fund. It is concerned only with the measurement of financial position and is not involved with measurement of results of operations.

**Township of Buchanan**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*f) Property tax revenue recognition:*

Property tax revenue is recognized in the year for which taxes have been levied and become available. Property taxes are levied December 1 based upon property values assessed as of December 31 of the prior year. The billings are due on February 14 (or 75 days after levy date), at which time the bill becomes delinquent and penalties and interest may be assessed by the Township. The Township recognizes taxes levied December 1 as revenue of the current year as such revenues are considered available to liquidate liabilities of the current year.

*g) Totals (memorandum only):*

The total column on the combined statements is captioned "memorandum only" to indicate that it is prepared only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation as interfund eliminations have not been made.

NOTE 2 - CASH:

*Financial statements:*

Cash	<u>\$858,605</u>
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*Notes to financial statements:*

Deposits	\$858,350
Cash on hand	<u>255</u>
	<u>\$858,605</u>

*Deposits with financial institutions:*

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township. Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in accounts of federally-insured banks, credit unions, and savings and loan associations. At March 31, 2004, the Township has deposits with a carrying amount of \$858,350 and a bank balance of \$1,134,450. Of the bank balance, \$344,430 is covered by federal depository insurance and \$790,020 is uninsured and uncollateralized.

**Township of Buchanan**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 3 - CHANGES IN GENERAL FIXED ASSETS:**

A summary of changes in general fixed assets follows:

	<i>Balance April 1, 2003</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance March 31, 2004</i>
Land and improvements	\$ 109,188	\$ -	\$ -	\$ 109,188
Building and improvements	891,133	-	-	891,133
Machinery and equipment	113,685	-	-	113,685
Office equipment	52,954	1,478	-	54,432
Vehicles	453,001	133,486	-	586,487
Fire equipment	<u>69,809</u>	<u>32,255</u>	<u>-</u>	<u>102,064</u>
	<u>\$1,689,770</u>	<u>\$167,219</u>	<u>\$ -</u>	<u>\$1,856,989</u>

**NOTE 4 - INTERFUND BALANCES:**

Interfund payables and receivables at March 31, 2004, are as follows:

<i>Fund</i>	<i>Due from other funds</i>	<i>Fund</i>	<i>Due to other funds</i>
General	\$ 87,841	Tax Collection	<u>\$212,720</u>
Fire	88,640		
Debt Service	<u>36,239</u>		
	<u>212,720</u>		
General	<u>3,934</u>	Debt Service	<u>3,934</u>
	<u>\$216,654</u>		<u>\$216,654</u>

**NOTE 5 - LONG-TERM DEBT:**

A summary of debt transactions of the Township for the year ended March 31, 2004, is as follows:

	<i>Note payable</i>	<i>Bonds payable</i>	<i>Totals</i>
Note/bonds payable - April 1, 2003	\$284,000	\$470,000	\$754,000
Reductions	<u>35,000</u>	<u>35,000</u>	<u>70,000</u>
Note/bonds payable - March 31, 2004	<u>\$249,000</u>	<u>\$435,000</u>	<u>\$684,000</u>

**Township of Buchanan**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 5 - LONG-TERM DEBT (Continued):**

Long-term debt at March 31, 2004, is comprised of the following individual issues:

Note payable:

\$380,000 note payable - mortgage for construction of new fire station, due in annual installments of \$30,000 through November 2009, plus interest at 5.36%, payable bi-annually in April and November. \$249,000

Bonds payable:

\$715,000 1996 limited tax general obligation sanitary sewage disposal and water distribution system serial bonds, due in annual installments of \$35,000 to \$50,000 through May 1, 2015, interest at 5.0% to 5.8% (payable by contractual agreement to the County of Berrien) 435,000

Total \$684,000

The annual requirements to amortize all debt outstanding at March 31, 2004, including interest of \$217,433, are as follows:

Year ending March 31,	
2005	\$102,126
2006	98,643
2007	95,128
2008	91,576
2009	87,994
Thereafter	<u>425,966</u>
	<u>\$901,433</u>

**NOTE 6 - DEFINED CONTRIBUTION PENSION PLAN:**

The Township provides pension benefits for substantially all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Michigan state statute assigns the authority to establish and amend benefit provisions to the Township Board of Trustees. Employees are eligible to participate from the date of employment. The Township contributes 5% of each qualified employee's base salary to the plan. The Township's contributions are fully vested immediately. The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets. The Township contributions for the year ended March 31, 2004, totaled \$6,903.

**Township of Buchanan**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 7 - CLAIMS ARISING FROM RISKS OF LOSS:**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured nor participates in a shared risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

**NOTE 8 - EXPENDITURES IN EXCESS OF BUDGET:**

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on the function level basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2004, the Township incurred expenditures in budgetary funds, which were in excess of the amounts appropriated.

The following schedule sets forth significant budget variations.

<u>Fund</u>	<u>Function</u>	<u>Activity</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	General government	Treasurer	\$24,991	\$28,155	\$3,164
		Building and grounds	36,304	42,371	6,067
Fire	Public safety	Fire protection	63,897	72,785	8,888

**NOTE 9 - STATUTORY COMPLIANCE:**

P.A. 621 of 1978, Section 18(1), as amended, provides that total estimated expenditures, including an accrued deficit, in the budget shall not exceed the total estimated revenues. The Township had a budgeted deficit in the Fire Fund for the year ended March 31, 2004. The actual fund balance as of March 31, 2004 was \$152,550.

**NOTE 10 - CONSTRUCTION CODE ACT:**

A summary of construction code enforcement transactions for the year ended March 31, 2004, is as follows:

Revenues	\$36,839
Expenses	<u>37,759</u>
Deficiency of revenues over expenses	\$ <u>(920)</u>

## **SUPPLEMENTARY INFORMATION**

**Township of Buchanan****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND****BALANCE - BUDGET AND ACTUAL - General Fund**

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes and penalties	\$ 97,987	\$ 98,832	\$ 845
Licenses and permits	38,080	50,962	12,882
State grants	228,300	253,907	25,607
Charges for services	11,202	12,151	949
Interest and rentals	12,775	4,843	(7,932)
Other	2,583	9,192	6,609
Total revenues	<u>390,927</u>	<u>429,887</u>	<u>38,960</u>
EXPENDITURES:			
Legislative - Township Board	<u>5,360</u>	<u>5,296</u>	<u>64</u>
General government:			
Supervisor	18,436	17,630	806
Elections	1,080	1,010	70
Assessor	45,204	40,228	4,976
Clerk	19,122	19,025	97
Treasurer	24,991	28,155	(3,164)
Board of review	1,637	1,290	347
Building and grounds	36,304	42,371	(6,067)
Other	72,385	73,865	(1,480)
Total general government	<u>219,159</u>	<u>223,574</u>	<u>(4,415)</u>
Public safety - building inspections	<u>40,641</u>	<u>37,759</u>	<u>2,882</u>
Public works:			
Streets	149,528	30,088	119,440
Street lighting	760	-	760
Drains	700	1,683	(983)
Total public works	<u>150,988</u>	<u>31,771</u>	<u>119,217</u>
Community and economic development - planning and zoning	<u>9,039</u>	<u>7,471</u>	<u>1,568</u>
Capital outlay	<u>200,436</u>	<u>141,117</u>	<u>59,319</u>

**Township of Buchanan****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - General Fund (Continued)***Year ended March 31, 2004*

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	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXPENDITURES (Continued):			
Debt service:			
Principal	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ -</u>
Interest	<u>16,250</u>	<u>15,449</u>	<u>801</u>
Total expenditures	<u>676,873</u>	<u>497,437</u>	<u>179,436</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(285,946)	(67,550)	218,396
FUND BALANCE - BEGINNING OF YEAR	<u>521,219</u>	<u>521,219</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 235,273</u>	<u>\$ 453,669</u>	<u>\$ 218,396</u>

**Township of Buchanan**  
**COMBINING BALANCE SHEET - *special revenue funds***  
*March 31, 2004*

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	<u>Fire</u>	<u>Mud Lake Bog</u>	<u>Totals</u>
ASSETS			
Cash	\$ 74,215	\$ 7,099	\$ 81,314
Receivables:			
Taxes	6,570	-	6,570
Interest	21	-	21
Due from other funds	<u>88,640</u>	<u>-</u>	<u>88,640</u>
TOTAL ASSETS	<u>\$ 169,446</u>	<u>\$ 7,099</u>	<u>\$ 176,545</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES:			
Accounts payable	\$ 16,896	\$ -	\$ 16,896
FUND EQUITY:			
Unreserved - undesignated	<u>152,550</u>	<u>7,099</u>	<u>159,649</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 169,446</u>	<u>\$ 7,099</u>	<u>\$ 176,545</u>

**Township of Buchanan****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - *special revenue funds****Year ended March 31, 2004*

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	<u>Fire</u>	<u>Mud Lake Bog</u>	<u>Totals</u>
REVENUES:			
Taxes and penalties	\$ 95,210	\$ -	\$ 95,210
Federal grants	27,245	-	27,245
Interest	434	105	539
Other	<u>3,007</u>	<u>-</u>	<u>3,007</u>
Total revenues	<u>125,896</u>	<u>105</u>	<u>126,001</u>
EXPENDITURES:			
Public safety	72,785	-	72,785
Capital outlay	<u>39,461</u>	<u>-</u>	<u>39,461</u>
Total expenditures	<u>112,246</u>	<u>-</u>	<u>112,246</u>
EXCESS OF REVENUES OVER EXPENDITURES	13,650	105	13,755
FUND BALANCE - BEGINNING OF YEAR	<u>138,900</u>	<u>6,994</u>	<u>145,894</u>
FUND BALANCE - END OF YEAR	<u>\$ 152,550</u>	<u>\$ 7,099</u>	<u>\$ 159,649</u>

**Township of Buchanan****COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -****all agency funds**

Year ended March 31, 2004

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	<u>April 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>March 31, 2004</u>
TAX COLLECTION FUND				
ASSETS				
Cash	\$ 324	\$ 2,265,414	\$ 2,005,057	\$ 260,681
LIABILITIES				
Due to other funds	\$ 324	\$ 212,396	\$ -	\$ 212,720
Due to other governmental units	-	2,050,882	2,002,921	47,961
Due to others	-	2,136	2,136	-
TOTAL LIABILITIES	\$ 324	\$ 2,265,414	\$ 2,005,057	\$ 260,681
TRUST AND AGENCY FUND				
ASSETS				
Cash	\$ 817	\$ 58,252	\$ 57,981	\$ 1,088
LIABILITIES				
Due to other funds	\$ -	\$ 948	\$ 948	\$ -
Due to other governmental units	442	51,323	51,193	572
Due to others	375	5,981	5,840	516
TOTAL LIABILITIES	\$ 817	\$ 58,252	\$ 57,981	\$ 1,088
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 1,141	\$ 2,323,666	\$ 2,063,038	\$ 261,769
LIABILITIES				
Due to other funds	\$ 324	\$ 213,344	\$ 948	\$ 212,720
Due to other governmental units	442	2,102,205	2,054,114	48,533
Due to others	375	8,117	7,976	516
TOTAL LIABILITIES	\$ 1,141	\$ 2,323,666	\$ 2,063,038	\$ 261,769

## OTHER SUPPLEMENTARY DATA

**Township of Buchanan****SCHEDULE OF BOND RETIREMENT AND ANNUAL REQUIREMENTS -****\$715,000 Sanitary sewage disposal and water distribution systems**

Year ended March 31, 2004

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<i>Fiscal period</i>	<i>Interest rate</i>	<i>Interest requirement</i>		<i>Maturity date</i>	<i>Principal</i>	<i>Total requirement</i>
		<i>May 1</i>	<i>November 1</i>			
2005	5.30	12,353	11,425	05/01/04	35,000	58,778
2006	5.40	11,425	10,480	05/01/05	35,000	56,905
2007	5.50	10,480	9,518	05/01/06	35,000	54,998
2008	5.60	9,517	8,537	05/01/07	35,000	53,054
2009	5.70	8,538	7,540	05/01/08	35,000	51,078
2010	5.80	7,540	6,525	05/01/09	35,000	49,065
2011	5.80	6,525	5,510	05/01/10	35,000	47,035
2012	5.80	5,510	4,495	05/01/11	35,000	45,005
2013	5.80	4,495	3,480	05/01/12	35,000	42,975
2014	5.80	3,480	2,465	05/01/13	35,000	40,945
2015	5.80	2,465	1,450	05/01/14	35,000	38,915
2016	5.80	1,450	-	05/01/15	50,000	51,450
		<u>\$ 83,778</u>	<u>\$ 71,425</u>		<u>\$ 435,000</u>	<u>\$ 590,203</u>